

BEFORE THE  
**Federal Communications Commission**

WASHINGTON, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

In The Matter of )  
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Amendment of the Commission's Rules ) WT Docket No. 97-81  
Regarding Multiple Address Systems )  
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 )  
To: The Commission

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COMMENTS  
OF  
GPM GAS CORPORATION

GPM Gas Corporation ("GPM"), by its attorneys, pursuant to Section 1.415 of the Rules and Regulations of the Federal Communications Commission ("Commission"), respectfully submits the following Comments in response to the Commission's Notice of Proposed Rule Making ("Notice")<sup>1/</sup> regarding the allocation, licensing and operation of Multiple Address System ("MAS") channels in the 928/952/956 MHz, 928/959 MHz and 932/941 MHz bands.

**I. BACKGROUND**

1. GPM, a wholly-owned subsidiary of Phillips Petroleum Company, is a major private user of 900 MHz MAS services. GPM's primary business is the management of its extensive natural gas gathering system in Central and West Texas, the Texas Panhandle, Southeast New Mexico, Central and Northwest Oklahoma and

<sup>1/</sup> 62 Fed. Reg. 11,407 (March 12, 1997). The original Comment deadline of April 21, 1997 was extended to May 1, 1997 by Order of the Commission dated April 18, 1997.

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Southwest Kansas. Using the multiple address telecommunications technology permitted by the 900 MHz MAS allocation, GPM monitors and collects information from more than 17,700 electronic gas measurement devices and over 200 remote gas compression sites. In conducting these monitoring operations, GPM utilizes its MAS frequency assignments hundreds of thousands of times every day. These assignments include 95 MAS channel pairs in the 928/952 MHz band, four MAS channel pairs in the 928/959 MHz band and two 956 MHz MAS channels.<sup>2/</sup> By providing early indications of operating problems and/or changes, this technology enables GPM to operate its gas gathering systems in a manner that best protects its employees, property and the environment.

2. The vast majority of GPM's MAS capacity is used for the internal communications functions described above. To a much smaller extent, however, GPM also utilizes its MAS infrastructure to offer more than 180 of its gas producing customers the opportunity to subscribe to a gas monitoring and reporting service known as Field Information & Technology Services ("FITS"). For a nominal fee, producers who subscribe to this service receive reports prepared by GPM on a regular basis which detail a number of parameters pertaining to their gas production operations. These reports enable producers to monitor their gas production in a more efficient manner and to react more quickly to wellsite problems that could lead to production, environmental or safety concerns. GPM estimates that this subscription-based service constitutes less than one

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<sup>2/</sup> All of these channels are licensed by the Commission to "Phillips Communications, Inc."

percent of its total MAS frequency use.

3. As GPM's gas gathering operations continue to grow, so does its need for access to additional private MAS channels. The existing MAS bands have become quite congested, however, due at least in part to the stockpiling in GPM's operating areas of a number of channels by speculative commercial licensees. As a result, GPM has encountered increasing difficulties in licensing the channels necessary to sustain its vital gas monitoring operations. GPM therefore welcomes this opportunity to provide the Commission with a more thorough understanding of some of the practical uses of private MAS channels and to offer evidence of the growing need for these systems.

## **II. COMMENTS**

4. GPM has reviewed the Comments that are being filed in this proceeding by the American Petroleum Institute ("API") and concurs with API's conclusions that: (1) available channels in the 928/952/956 MHz and 928/959 MHz bands should be designated for private use; (2) there should be a private channel set-aside in the 932/941 MHz band; and (3) the existing site-by-site licensing approach is more suited to most private operations than wide-area geographic licensing. GPM is submitting these separate Comments to address certain issues raised in the Notice which are of particular concern to GPM and to offer additional evidence in support of API's positions.

### **A. The Commission Must Seize This Opportunity to Remedy the Current Shortage of MAS Channels Available for Private Use.**

5. As noted above, GPM has found it increasingly difficult to license the MAS channels that it needs in order to operate its electronic gas monitoring system in an

effective manner. On numerous occasions during the past several years, GPM has attempted to apply for new MAS channels, only to be informed by its frequency coordinator that all channels in the 928/952 MHz, 956 MHz and 928/959 MHz bands are occupied in the area of GPM's proposed operations. On more than twenty occasions, GPM has been required to license its MAS's with Short Space Agreements, a process which significantly has increased the amount of time and financial resources that GPM must devote to its licensing efforts. In other instances, where short spacing has not been feasible, GPM has had to forego its MAS needs or employ unlicensed spread spectrum equipment that provides service far inferior in coverage and reliability to that available with the licensed channel pairs.

6. GPM believes that the saturation of the existing MAS bands in many areas is largely the result of spectrum warehousing by certain entrepreneurial entities. Although the Commission's MAS database -- particularly for the 928/959 MHz band -- reflects the existence of a number of commercial licensees, GPM is unaware of any subscriber-based MAS's that have been in service in the regions of GPM's operations for any significant amount of time during the past approximately two years. Although one such commercial system was operational in West Texas for a short while, GPM understands that the system's operator was unable to attract a single customer. Because the Commission apparently has not been enforcing its construction and operational requirements in the MAS bands, speculators are able to monopolize valuable spectrum indefinitely, while other licensees struggle to find frequencies to satisfy their critical internal communications needs.

7. To remedy this situation, GPM urges the Commission to designate the 928/952/956 MHz and 928/959 MHz MAS bands exclusively for private use and to initiate efforts immediately to cancel the authorizations of licensees in these bands who are in violation of the Commission's construction or operational requirements.<sup>3/</sup> The Commission recognized in its Notice that coverage requirements are needed to "deter speculation" and "hinder warehousing" by commercial MAS licensees, while promoting prompt service to the public. Notice at ¶ 38. These coverage requirements are meaningless, however, unless they are enforced. Moreover, although liberal construction requirements may be appropriate in bands that are licensed geographically for purely commercial purposes, the 18-month requirement set forth in section 101.63 of the Commission's rules should be retained for all licensees authorized to operate on a site-by-site basis in bands that may be shared by private and commercial licensees. As a related matter, GPM is not opposed to the Commission's proposal to allow both geographic area and incumbent licensees to combine contiguous channels up to a bandwidth of 50 kHz (see Notice at ¶ 40), so long as the appropriate construction and operational requirements are enforced for all channels.

8. In addition to the measures discussed above, GPM believes that a private channel set-aside in the 932/941 MHz MAS band (not subject to auction) is necessary to alleviate the spectrum shortage that private licensees currently face. When the

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<sup>3/</sup> Regardless of the outcome of this proceeding, GPM agrees with the Commission that all incumbent operations should be allowed to remain in these bands (provided that they comply with applicable construction and operational requirements). Licensees like GPM that have invested significant funds in their existing systems should not be forced to forego their operations or be subjected to interference from subsequent MAS licensees.

Commission opened filing windows for this band in 1992, GPM applied for two MAS frequency pairs.<sup>4/</sup> Since that time, GPM's MAS spectrum needs have grown dramatically. In fact, GPM estimates that, if sufficient channels were available, it would implement twelve additional MAS's in the next year alone and more than one hundred over the next decade.

9. There is no credible evidence, on the other hand, of legitimate demand for subscriber-based MAS channels. If the level of commercial interest in the 932/941 MHz band were even a fraction as great as the Commission estimates, one would have expected an emergence of subscriber-based MAS service offerings in the 928/959 MHz band during the past several years; yet, such services have, for the most part, failed to materialize, and the spectrum of many commercial licensees remains idle long after construction deadlines have elapsed. Given the unrefuted history of actual construction and operation of MAS channels by GPM and other private licensees, the needs of these licensees should be accorded at least as much weight -- if not more -- than the often speculative licensing behavior of commercial enterprises.

**B. The Commission's Definition of "Private Use" Should Include Licensees that Utilize Their Systems "Primarily" for Private Purposes.**

10. The Commission's Notice does not address how systems that are neither purely private nor purely subscriber-based would be classified under the Commission's proposed new licensing scheme for MAS spectrum. While GPM uses its MAS

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<sup>4/</sup> GPM's applications are among the more than 50,000 that now have been pending for over five years.

frequencies primarily for internal communications, it also sells information gathered using these frequencies to some of its gas producing customers through the FITS program. These operations are consistent with the Commission's current rules, which allow private MAS channels to be used "for the point-to-multipoint transmission of a licensee's products or services, excluding video entertainment material, to a licensee's customer or for its own internal communications." 47 C.F.R. § 101.47(b).

11. Any new MAS allocation and licensing scheme adopted by the Commission must ensure that channels are available for licensees, such as GPM, who use their systems for a combination of private and subscriber-based purposes. GPM proposes that such hybrid systems be defined based upon their primary use. For example, as only a very small portion (perhaps one percent) of GPM's MAS frequency use is devoted to the provision of subscriber-based services, GPM should be designated a private licensee and considered eligible for any MAS channels or frequency bands allocated by the Commission to private users. If the operations of licensees in the "exclusive" private bands were strictly limited to internal communications (while only subscriber-based services were permitted in the commercial bands), valuable services such as FITS could not be offered. Such a result would adversely impact not only GPM, but also its many customers who benefit immeasurably from these services.

**C. Mobile Operations Should Not be Permitted on MAS Channels.**

12. The Commission has proposed to allow MAS geographic area licensees to provide both fixed and mobile services on a co-primary basis. Notice at ¶ 42.

Additionally, the Commission tentatively has concluded that the same operational flexibility should be extended to incumbent MAS licensees. Id. While GPM acknowledges that there may be advantages to such flexibility in certain frequency bands, GPM believes that the operation of unlike systems in the MAS bands will be unduly disruptive to very critical co-channel and adjacent channel MAS operations within the same geographic area.

13. In particular, GPM is concerned that mobile operations -- unless highly regulated -- will cause harmful interference, on a sporadic and unpredictable basis, to fixed operations in the MAS bands, thereby making it more difficult to maintain the high performance levels required of MAS's that perform critical safety and environmental functions. The Commission has allocated a substantial amount of spectrum over the past several years for a wide range of mobile offerings, including Specialized Mobile Radio, Personal Communications Service, mobile satellite and cellular services. License winners at the Commission's ongoing auction for the Wireless Communications Service also will be permitted to conduct mobile operations. By contrast, there is a large unmet demand for channels that may effectively be used for private point-to-multipoint communications. Accordingly, all of the bands at issue in the Commission's MAS rule making proceeding, including any that may be assigned through competitive bidding, should be reserved for MAS operations. Any other uses permitted in these bands by the Commission should be on a strictly secondary, non interference basis.



**D. The Commission Should Continue to Assign Private MAS Channels on a Site-By-Site Basis.**

14. GPM believes that for private MAS channels, site-by-site licensing is more spectrum efficient than wide-area geographic licensing. The MAS needs of pipeline operators such as GPM do not conform to the large market-based areas typically utilized by the Commission for geographic licensing. Rather, these private licensees generally require access to a number of different MAS frequencies for use within a relatively small operation area at certain specified locations. Geographic licensing of these channels would be spectrum inefficient, in that some licensees would be authorized to operate in larger areas than they need, while others would be unable to obtain the spectrum that they require. Even if partitioning of these licenses were permitted, the transaction costs associated with obtaining spectrum rights in this manner could be prohibitive for many private users.

15. The geographic licensing of private MAS's also would be likely to increase the costs of operating and maintaining such systems. Limiting a private licensee to fewer channels over larger geographic areas would heighten the risk of self-interference within the licensee's own MAS operations. To combat this problem, GPM believes that it probably would be required to convert its system to a true semi-cast architecture, thereby raising costs to a level that may render any further system development infeasible.

**III. CONCLUSION**

16. In proposing to redesignate the 932/941 MHz MAS band for subscriber-

based services, the Commission ignores compelling evidence of the existing and future needs of private licensees such as GPM, while crediting the speculative claims of commercial entities that, time and again, have failed to make their MAS's operational. GPM believes that a private channel set-aside in the 932/941 MHz band, together with the allocation of the 928/952/956 MHz and 928/959 MHz bands for exclusive use by private licensees, would better accommodate competing needs for MAS spectrum. GPM also urges the Commission to: (1) set and enforce strict construction deadlines and actual operational requirements for private MAS channels and any commercial channels licensed in bands shared with private licensees; (2) clarify that under its amended rules, MAS channels used "primarily" for private purposes will be considered private channels; (3) limit the primary use of the MAS bands to point-to-multipoint operations; and (4) continue to license private MAS channels on a site-by-site basis.

**WHEREFORE, THE PREMISES CONSIDERED,** GPM Gas Corporation respectfully submits the foregoing Comments and urges the Federal Communications Commission to act in a manner consistent with the views expressed herein.

Respectfully submitted,

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